



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 30, 2002
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ILLINOIS COMPANY AGREES TO PLEAD GUILTY FOR ROLE IN INTERNATIONAL VITAMIN CARTEL

WASHINGTON, D.C. -- DuCoa L.P., a U.S. manufacturer of animal health and nutrition products based in Highland, Illinois, has agreed to plead guilty and pay a \$500,000 fine for participating in a worldwide conspiracy to raise and fix prices and allocate market shares for choline chloride (vitamin B4) sold in the United States and elsewhere, the Department of Justice announced today.

Choline chloride or vitamin B4, which is sold by manufacturers and resellers to customers in the animal nutrition industry, is an ingredient necessary for the proper growth and development of animals.

“This latest case, the 29th in the long running and highly successful vitamins investigation, once again demonstrates the Division’s commitment to prosecuting antitrust crimes that harm American businesses and consumers,” said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division.

According to the charge filed today in U.S. District Court in Dallas, DuCoa L.P. conspired with unnamed co-conspirators to suppress and eliminate competition in the choline chloride market in the U.S. and elsewhere from at least January 1988 through September 29, 1998. The conduct engaged in by DuCoa L.P. included:

- agreeing to set choline chloride prices;

- agreeing to allocate choline chloride customers;
- agreeing to divide the world markets for choline chloride;
- participating in meetings and conversations to monitor and enforce adherence to the fixed prices and market shares; and
- rigging bids for contracts to supply choline chloride.

"This conspiracy, involving Vitamin B4, produced higher costs for animal feed which benefitted this defendant and its co-conspirators through higher profits at the expense of consumers," said James M. Griffin, the Antitrust Division's Deputy Assistant Attorney General for criminal enforcement. "At secret meetings held around the world, DuCoa L.P. and its competitors conspired to raise Vitamin B4 prices to bulk purchasers of this product for use in the animal nutrition market."

DuCoa is charged with violating Section One of the Sherman Act, which carries a maximum fine of \$10 million for corporations. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either of those amounts is greater than the statutory maximum fine. At sentencing, the court will determine the appropriate sentence to be imposed under the U.S. Sentencing Guidelines and whether to accept the plea agreement and impose the agreed-upon sentence.

The ongoing investigation of the worldwide vitamin industry is being conducted by the Antitrust Division's Dallas Field Office and the Federal Bureau of Investigation in Dallas.

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